

matt m'Card

Thank you Chairman Hune and the members of the Insurance Committee for scheduling a hearing on this important issue. I am a practicing physician in Southeast Michigan and a leader of the Michigan Chapter of Docs4Patient Care ([www.docs4patientcare.org](http://www.docs4patientcare.org)).

Docs4 Patient Care supports Senate Bill No. 1033 that simply defines the difference between a physician-patient medical retainer and a health insurance policy. By clarifying the regulatory treatment of a physician-patient medical retainer, Michigan's legislators have an opportunity to allow Direct Primary Care (DPC) to flourish within our state.

Direct Primary Care is subscription-based primary care paid by the patient that gives patients ready access to physicians who deliver continuous, comprehensive and personalized primary care. This model for primary care solves two of our most significant healthcare challenges moving forward: access and cost. DPC has these advantages versus current traditional practice models:

1. It correctly aligns incentives for both the doctor and patient (e.g. the doctor works in the patients interests only, patients are incentivized for wellness)
2. It provides patients leverage for access to care (not just access to insurance).
3. Patients may receive care without presenting to the office (i.e. telemedicine).
4. No care-bill-chase payment overhead (some estimate that it lowers overhead by 40% vs. traditional practices).
5. Enables a true Patient-Centered Medical Home (PCMH) where a doctor coordinates and oversees all care (e.g. less fragmentation of care, less duplicate tests, less hospitalization).
6. Subscription fees provide a more stable (and efficient) income stream for smaller offices allowing rural practices to flourish--bringing physician based care to rural communities.

The early results of this innovative model for care are very encouraging. According to a study in the American Journal of Managed Care (December 2012) Direct Primary Care practices experienced significant reductions in hospital utilization. The five-state study showed 56% fewer non-elective hospital admission rate, 49% fewer avoidable admissions, and 63% fewer non-avoidable admissions versus traditional model practices.

Imagine passing those cost-savings onto patients, employers and taxpayers.

In our era of high-deductible healthcare and retiring baby-boomers, constituents will be seeking ways to solve their healthcare cost and access challenges. DPC will likely be a very popular answer if lawmakers work together to remove the barriers for this model for care. Senate Bill No. 1033 is a great first step in doing this.

Senators Colbeck and Nofs are to be congratulated on their forward thinking in improving healthcare for Michiganders.